

# INDIANA STATE BOARD OF ACCOUNTS



## VIRTUAL AUDITS 2.0

ISL Annual Report & Bookkeeping Workshop

November 2020

1



### REQUIRED AUDIT ENGAGEMENTS

#### **Indiana Code 5-11-1-9**

Requires the State Examiner to examine all accounts and all financials affairs of every public entity.

#### **Debt Covenants & Bond Rating Agencies**

Most financial institutions and bond rating agencies accept the SBOA audit report for their purposes

#### **Federal Grant Agreements**

Federal grant agreements commonly call for an annual audit

INDIANA STATE BOARD OF ACCOUNTS - 2020

2



## ENGAGEMENT GOALS

### **Provide Opinions on Financial Information Presented by Auditee**

- Unmodified, or "clean, opinion – lets readers know the information presented is materially correct.
- Modified opinion lets reader know there are issues that need to be taken into consideration when it comes to the information presented.

### **Provide Reader with Substantial and Impactive Noncompliance**

- Results and Comments – noncompliance that is "written up"

INDIANA STATE BOARD OF ACCOUNTS - 2020

3



## ENGAGEMENT GOALS

### **Provide Management with less Significant Noncompliance of State Requirements**

- Management Letter – General Noncompliance with State Statute or SBOA Compliance Guidelines Manual



barnabaspiper.com

INDIANA STATE BOARD OF ACCOUNTS - 2020

4



## AUDIT REPORTS



- **Audit Report**
  - *possible Supplemental Audit Report*
- **Review Report**
- **Compliance Report**
- **Management Letter**

INDIANA STATE BOARD OF ACCOUNTS - 2020

5



## PRE-AUDIT FORMS



[www.bloggyart.com](http://www.bloggyart.com)

INDIANA STATE BOARD OF ACCOUNTS - 2020

6



## PRE-AUDIT FORMS

(03/20) Form 7

### UNDERSTANDING THE DESIGN AND IMPLEMENTATION OF INTERNAL CONTROLS -- ENTITY LEVEL Page 1 of 4

#### PART I -- TO BE COMPLETED BY UNIT OFFICIAL

Questionnaire completed by:

Name	Title	Date

#### CONTROL ENVIRONMENT

1. Communication and enforcement of integrity and ethical values:
  - a. What action is taken to address departures from approved policies or unacceptable conduct that might create errors on the accounting records?
  - b. If fraud is alleged, what does management or the governing body (board) do to investigate the allegation, take appropriate and consistent actions against violators, and assess how relevant controls could be improved?
2. Commitment to competence:
  - a. What background, education, and experience do accounting personnel have that assist them with their duties?
  - b. What training do employees receive to help them maintain their accounting and financial reporting competencies?

(01/20) Form 9 City/Town

### UNDERSTANDING THE ENTITY AND ITS ENVIRONMENT

#### Part I - Questionnaire

Questionnaire completed by:

Name	Title	Date

#### General Information

Name of City/Town:	
City/Town's address:	
City/Town's website:	
Primary contact:	Email address:
Telephone number:	Fax number:

#### Structure and Governance

1. The primary activities, programs, and services of the city/town are: (Strike through or delete any that don't apply.)
  - a. General Government
    1. Planning and Zoning Activities
    2. Providing a judicial system which is primarily responsible for handling traffic violations
    3. Overall administration of the unit
  - b. Public Safety
    1. Law Enforcement
    2. Fire Protection
    3. Protective Inspection
    4. Probation
  - c. Street Maintenance

7



## PRE-AUDIT FORMS

(04/20) Form 13

### Management Oversight of Nonaudit Services Period:

Name of Individual Designated by Management to oversee nonaudit services: \_\_\_\_\_

Title of Individual: \_\_\_\_\_

Review of nonaudit services performed:  
(Management's designee should check each item as it is reviewed.)

#### Statement of Receipts, Disbursements, and Cash and Investment Balances:

- \_\_\_\_\_ Beginning cash and investments agree with prior year ending balances for each fund and for the total of all funds.
- \_\_\_\_\_ Ending balances are reported correctly for each fund and the total of all funds.
- \_\_\_\_\_ Titles of funds are reported correctly for each fund.

#### Notes to the Financial Statement:

- \_\_\_\_\_ Notes to the financial statement as compiled accurately reflect the governmental unit.

#### Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances:

- \_\_\_\_\_ Beginning cash and investments agree with prior year ending balances for each fund.
- \_\_\_\_\_ Ending balances are reported correctly for each fund.
- \_\_\_\_\_ Titles of funds are reported correctly for each fund.

#### Other Supplementary Schedules (Schedule of Payable and Receivables, Schedule of Leases and Debt, Schedule of Capital Assets)

- \_\_\_\_\_ All information is correct and presented as management intended.

#### All Statements, Schedules and Notes:

- \_\_\_\_\_ Fund names are correct. (Fund names will appear as shown in the report.)
- \_\_\_\_\_ Unit name is correct throughout report.

As the management designee, I have reviewed the financial statement and notes to the financial statement for each of the aforementioned items. These items were prepared by use of our books and records. Our books and records adequately support the financial statement and notes to the financial statement prepared, and accordingly, I approve these items as compiled by the State Board of Accounts. I understand that slight modifications such as spelling, grammatical and formatting errors may be corrected during the processing of our report by the State Board of Accounts. I acknowledge that the financial statement, including the notes to the financial statement, are our responsibility. I have determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation.

Name of Designee
Title
Date

8



## ENTRANCE CONFERENCE

### Who is invited?

- Those charged with governance – Board President
- Management – Fiscal Officer (Treasurer), Director, Bookkeeper

### What is discussed?

- Introduction to the Field Examiners that will be working on the audit
- General overview of:

*Audit Objectives*

*Management Responsibilities*

*Audit Procedures (general, internal control, compliance)*

*Informing Management of general records that will be requested*

*Start date & expected issuance date*

INDIANA STATE BOARD OF ACCOUNTS - 2020

9



## ENTRANCE CONFERENCE

### Continuing Expectations

- Provide and inform attendees with a method to allow for continued communication throughout the audit process

### Field Examiners will:

- Explain the objectives of the engagement
- Explain what responsibilities management has
- Inform management of audit fees
- Answer any questions regarding the audit process

INDIANA STATE BOARD OF ACCOUNTS - 2020

10



(01/20) Form 14 *NonAudited*

**ENTRANCE CONFERENCE**  
AUDIT PERIOD: January 1, 2018 to December 31, 2019

Pursuant to statutory authority, the below named Field Examiners have been assigned to perform an audit of the financial statement of the City of Gordonville (City). The scheduled audit period is from January 1, 2018 to December 31, 2019, although circumstances may arise which would cause the audit to be extended.

The financial statement will be presented on the basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by IC 5-11-1-6, which is a comprehensive basis of accounting other than generally accepted accounting principles.

The following other information accompanying the financial statement will not be subjected to the auditing procedures applied in our audit of the financial statement, and our auditor's report will not provide an opinion or any assurance on this other information.

1. Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances
2. Schedule of Payables and Receivables
3. Schedule of Leases and Debt
4. Schedule of Capital Assets

**Audit Objectives**

The objective of our audit is the expression of an opinion as to whether your financial statement is fairly presented, in all material respects, in conformity with reporting requirements established by the State Board of Accounts as allowed by IC 5-11-1-6. In addition, because the variances between the reporting requirements established by the Indiana State Board of Accounts and accounting principles generally accepted in the United States are presumed to be material, we are required to express an adverse opinion in relation to accounting principles generally accepted in the United States. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America, and will include tests of accounting records, and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit. Our reports will be addressed to The Officials of the City of Gordonville. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statement are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports.

**Management Responsibilities**

Management is responsible for the financial statement, and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statement and related notes. You agree to assume all management responsibilities relating to the financial statement, related notes, and any other *nonaudit* services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statement and related notes and that you have reviewed and approved the financial statement and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the *nonaudit* services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience, evaluate the adequacy and results of those services, and accept responsibility for them.

Your responsibilities include adjusting the financial statement to correct material misstatements and conforming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statement taken as a whole.

Management is responsible for designing, implementing, and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met, and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, and regulations. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statement in conformity with reporting

INDIANA STATE BOARD OF ACCOUNTS - 2020



(01/20) Form 14 *NonAudited*

Audit Coordinator who coordinates the audit engagement and supervises the assigned field staff (Interns, Field Examiners, and Audit Managers). If you should have any questions concerning your audit, please contact either the Audit Manager or Audit Coordinator over your audit. The unit will only be charged for actual time devoted to the audit. If special agency needs require the examiners to temporarily work on another engagement, we will advise you accordingly. The rate will be as described in IC 5-11-4-3 which will be deducted from the property tax distribution received from the County Auditor if you have a general fund tax rate. Your cooperation, the condition and completeness of records, and audit problems or special conditions encountered may cause the actual audit days to result in increased or decreased audit costs.

We appreciate the opportunity to be of service to your governmental unit and believe this letter accurately summarized the significant terms of our engagement. If you have any questions, please let us know. By signing below, you agree with the terms of our engagement as described in this letter.

Management's Signature	
Title	
Field Examiners	Date
Governance's Signature	
Audit Manager and Email Address	Title
	Date
Audit Coordinator and Email Address	

INDIANA STATE BOARD OF ACCOUNTS - 2020

- Entrance Conference Form 14**
- Will be emailed to you
  - Signed copy required
  - You can print, sign, and return to FE

## THE AUDIT PROCESS



- ✓ Preliminary Work
- ✓ Entrance Conference
- Virtual/Remote Audit
- Auditing Procedures
- Exit Conference
- Reports



Needpix.com

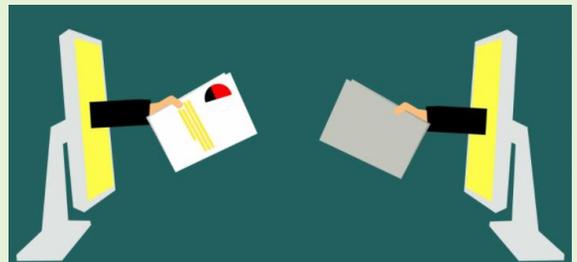
INDIANA STATE BOARD OF ACCOUNTS - 2020

13

## WHAT IS A VIRTUAL / REMOTE AUDIT



- Email, Telephone, Video Conferences
- COVID -19 Protocol
- Forms Prior to Audit
- Gateway Direct Request email
- Monthly & Annual Uploads
- Computer webcam/microphone or telephone



Publicdomainpictures.net

INDIANA STATE BOARD OF ACCOUNTS - 2020

14

## COMMUNICATION



### Weekly Contact

- Teams Video Calls
- Telephone Calls
- Emails

### Items to be discussed

- Records or Information needed
- Questions related to audit work
- Progress of the audit
  - Schedule
- Any concerns you may have



Pixabay.com

### Direct Requests for Uploads

INDIANA STATE BOARD OF ACCOUNTS - 2020

15

## DIRECT REQUESTS



### *How do I know a request has been made?*

Email from [no-reply-gateway@sboa.in.gov](mailto:no-reply-gateway@sboa.in.gov)

Request for specific file or item with detailed description

Instructions on how to upload

- through Monthly and Annual Engagement Uploads

### *What do I do?*

Acknowledge request

Provide time-frame

Email field examiner when item has been uploaded



Pixabay.com

INDIANA STATE BOARD OF ACCOUNTS - 2020

16

Year: 2019

## Monthly and Annual Engagement Uploads

Use the form below to find and upload documents required for audit support. **Note: This information is for the State Board of Accounts internal use only and will not be made available on the Gateway Public site.**

**File Upload Status:** The current upload status is viewable in the table below. Any objects with a red X need to be uploaded. To view a previous upload, click on the download icon in the table. To delete a previous upload, click on the delete icon for that record in the status table.

**To upload new files:** Select which set of files need to be uploaded using the Select Upload Group dropdown. Next, select the specific file from the Select File Type dropdown on the right. The user will be able to upload files using the Browse and Upload buttons in the Provide File section. In some cases, an option will appear in the Provide File section allowing a user to provide a link instead of uploading a file. To do this, select the Web Link option and paste the link in the textbox labeled Provide Link.

**To complete the entry:** Click on the button marked Submit. The status table will be updated. Multiple files may be uploaded for each Upload Group and File Type. If a file needs to be reloaded, the user should delete that file from the status table first.

Select Upload Group	Select File Type	Provide File
<input type="text" value="Direct Request"/>	<input type="text" value="Audit Request"/> Please upload the requested audit files.	Upload file ( <i>xls, xlsx, doc, docx, jpg, pdf, gif, tif, png</i> ) <input type="button" value="Choose File"/> No file chosen <input type="button" value="Submit"/>

Status	2019 Required Uploads	Upload Date	Uploaded By	Download	Delete
--------	-----------------------	-------------	-------------	----------	--------

17

## DIRECT REQUESTS

Scroll down passed monthly and annual uploads to see -

Direct Request					
✓	<b>Audit Request</b>				
	<i>DelegationForm</i>	3/17/2020 2:41:57 PM	akarl@sboa.in.gov		
✓	<b>GAAP FILES</b>				
	<i>DelegationForm</i>	3/17/2020 2:42:34 PM	akarl@sboa.in.gov		
✓	<b>Audit Request</b>				
	<i>007_UnderstandingIC_2001</i>	3/19/2020 2:20:09 PM	akarl@sboa.in.gov		
✓	<b>GAAP FILES</b>				
	<i>009_UnitEnvironmentCounty_2001</i>	3/19/2020 2:20:47 PM	akarl@sboa.in.gov		
✓	<b>Audit Request</b>				
	<i>16-INF-02</i>	8/21/2020 6:36:16 AM	sgordon@sboa.in.gov		

INDIANA STATE BOARD OF ACCOUNTS - 2020

18

## WHAT DOCUMENTS ARE NORMALLY REQUESTED



Written policies and procedures (Internal Controls, Travel, Employee Benefits, etc.)  
 Internal Control Training Certifications  
 Board Minutes (include to current date)  
 Ordinances and Resolutions  
 Contracts  
 Financial Records (ledger)  
 Bank Reconcilements and Bank Statements  
 Grant Awards and Agreements (Federal and State)  
 Debt Documents  
 Capital Assets Schedule  
 Receipts  
 Accounts Payable Vouchers with supporting documentation  
 Payroll records  
 Financial Reports filed with other State or Federal Agencies (withholdings)



INDIANA STATE BOARD OF ACCOUNTS - 2020

19

## HOW DO I PREPARE FOR AN AUDIT



- File AFR, 100R, Monthly and Annual Uploads on time.
- Document Internal Control Procedures and Evidence of Procedures.
- Maintain a file of all policies (travel, benefits, credit cards, etc.)
- Reconcile bank accounts monthly.
- Post records timely (ledger, capital assets, debt, investments, etc).
- File supporting documentation for expenses in an orderly fashion.
- Issue receipts and deposit money on a timely basis.
- Keep explanations for unusual items (attorney opinions, etc.)
- Keep a list of questions or items you want to tell the field examiner.
- Call Todd and Susan!

INDIANA STATE BOARD OF ACCOUNTS - 2020

20

## WHAT ARE FIELD EXAMINERS LOOKING FOR?



Understanding of Internal Controls

Prior Period Follow Up

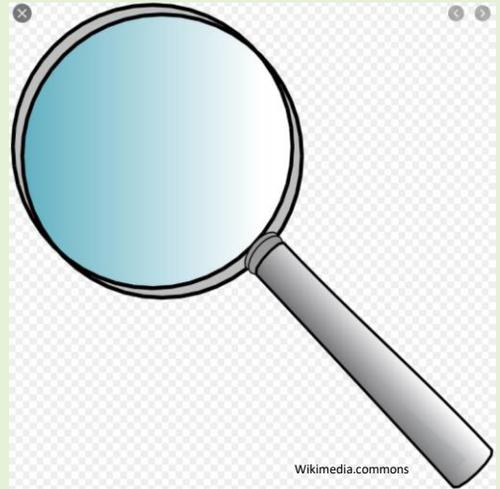
- Audit Results and Comments
- Management Letter Comments
- Verbal Comments
- Significant or Unusual subsequent events

Financial Statement Information

Receipts

Disbursements

Compliance



Wikimedia commons

INDIANA STATE BOARD OF ACCOUNTS - 2020

21

## WHAT ARE SOME EXAMPLES OF COMPLIANCE PROCEDURES



- Internal Controls (procedures and evidence of procedures)
- Comparisons of AFR to Ledger
- Disbursements not exceeding appropriations
- Monthly bank reconcilements
- Compensation in accordance with Salary schedule
- Payroll remittance to IDOR + IRS
- Proper use of funds
- Capital Assets
- Supporting Documentation
- Prior comments resolved



Picpedia.com

INDIANA STATE BOARD OF ACCOUNTS - 2020

22

## DO I HAVE ANY OTHER RESPONSIBILITIES DURING THE AUDIT



Request Attorney Representation Letter

Sign Management Representation Letter



Pixabay.com

INDIANA STATE BOARD OF ACCOUNTANTS - 2020

23

## HOW ARE AUDIT FINDINGS COMMUNICATED



Audit Result and Comment (ARC)

Management Letters

Verbal Comments

Federal findings



Thebluediamondgallery.com

INDIANA STATE BOARD OF ACCOUNTANTS - 2020

24

## AUDIT RESULT & COMMENT EXAMPLE



### ADOPTION OF INTERNAL CONTROL STANDARDS

#### *Condition and Context*

The Library certified on the Indiana Gateway for Government Units financial reporting system that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e); however, during the engagement, the Director indicated that the Library had not adopted the minimum internal control standards.

#### *Criteria*

Indiana Code 5-11-1-27(g) states: "After June 30, 2016, the legislative body of a political subdivision shall ensure that: (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

INDIANA STATE BOARD OF ACCOUNTS - 2020

25

## WHAT IS A REPEAT COMMENT?



HB 1031 (2017) – repeat comments have consequences.

*Make sure to get an idea on how to fix problems before the field examiner leaves. ★*

★ If you still need help after the Exit Conference, call Todd and Susan.

File Corrective Action Plan using SBOA Template

Implement fixes immediately

INDIANA STATE BOARD OF ACCOUNTS - 2020

26

## THE AUDIT PROCESS



- ✓ Preliminary Work
- ✓ Entrance Conference
- ✓ Virtual/Remote Audit
- ✓ Auditing Procedures
- Exit Conference
- Reports



Needpix.com

INDIANA STATE BOARD OF ACCOUNTANTS - 2020

27

## EXIT CONFERENCE



Draft report

Opportunity to respond to comments (Form 4) – 10 days

- electronic responses shall be sent to [officialresponse@sboa.in.gov](mailto:officialresponse@sboa.in.gov)

Corrective Action Plan discussed if repeat comments in report

Official's email and physical addresses verified

Results of Audit are **Confidential** until report is filed

INDIANA STATE BOARD OF ACCOUNTANTS - 2020

28

## EXIT CONFERENCE



(05/20) Form 4 FS Audit and Other Engagements

**EXIT CONFERENCE**

Unit Examined: \_\_\_\_\_  
 Period Examined: \_\_\_\_\_  
 Date of Conference: \_\_\_\_\_  
 Office or Department (if applicable): \_\_\_\_\_

This exit conference is being held in accordance with 5-11-5-1 and except as provided in subsections (b), (d), and (e), it is unlawful for any person, before a report is made public, to make any disclosure of the result of any examination of any public account.

In accordance with Indiana Code 5-11-5-1, the Officer or the Chief Executive Officer of the unit examined is given the opportunity to respond to the results and comments contained in the report. Your response, if any, will be bound in and become a part of our report. We ask that you initial the option selected below, sign, and date this form. Your signature is not deemed to be a concurrence with our results and comments but merely acknowledges that you understand that you have a right to respond to the report. Please note that the report is a draft prepared by the Field Examiners and is subject to editing by department directors and board members.

Initial  
Below  
\_\_\_\_\_ Acknowledgement of Decision for Official Response \_\_\_\_\_

OPTION NO. 1: We do not wish to make an official response to the report.

OPTION NO. 2: We wish to file an official response to the results and comments in the form of a letter to be bound in the report. We understand that the letter itself will be made part of the report and any attachment or exhibit that is included and referred to in our response may not be but will be held on file with SBOA and will be made available to the public upon request. We also understand that if such response is not received by the State Board of Accounts within ten (10) days of this date, the State Board of Accounts cannot guarantee that the response will be included in the report. Any response received after the 10 day period, although there is no guarantee, may still be included in the report, if the report has not been filed at the time the response is received. The SBOA will provide an Official Response Template to complete and return either by letter or electronically. Letters should be clearly marked "OFFICIAL RESPONSE" and sent to State Board of Accounts, 302 West Washington Street, Room E 418, Indianapolis, Indiana 46204-2765. If submitted electronically, the response should be in a PDF format. Electronic responses should be sent to officialresponse@sboa.in.gov.

Initial  
Below  
\_\_\_\_\_ Acknowledgement of Understanding of Requirements Concerning Repeat Findings \_\_\_\_\_

We understand that for the following result and comments an SBOA corrective action plan (CAP) must be completed and submitted on the SBOA website (<http://www.in.gov/sboa/5207.htm>). We acknowledge that we have been provided guidelines, instructions, and a CAP template. We also understand that we must either submit the CAP or send an email to CAP@sboa.in.gov acknowledging that we are working on the CAP by: \_\_\_\_\_

Title of repeat result and comment(s):  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Initial  
Below  
\_\_\_\_\_ Acknowledgement of Timeline on the Report Release Date \_\_\_\_\_

We understand that the earliest date our report will be issued is: \_\_\_\_\_, unless waived by the state examiner.

We have had an opportunity to review and discuss the contents of the report with the Field Examiner(s) and have initialed applicable options above relating to comments contained in the Supplemental Compliance Report.

Officials Invited to Exit	Officials Attending Exit
Signed: _____	_____
Title: _____	_____
Signed: _____	_____
Title: _____	_____
Signed: _____	_____
Title: _____	_____

NOTE TO EXAMINERS: FILE THIS FORM WITH THE WORKING PAPERS. YOU MAY NEED TO PRINT MORE THAN ONE FORM IF MULTIPLE DEPARTMENTS/OFFICES APPEAR IN THE REPORT OR A SUPPLEMENTAL REPORT. A SIGNED COPY SHOULD BE PROVIDED TO OFFICIALS.

29

## AUDIT COSTS



### Statement of Engagement Cost

1. Number of days spent on the audit.
2. Daily/hourly rate.
3. Report processing fees.

**NOT an invoice that is to be paid**

*An invoice of these audit costs will be sent to your County for payment out of your next distribution*

30



## FEDERAL AUDITS

CITY OF NEW HAVEN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2018

Federal Grant Agency Suber Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Awarding Number	Pass-Through To Subrecipient	Total Federal Awards Expended
Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Road Construction - Linden Road from North Hill Rd. to Newbury Road Construction - Brantley/Linden Road Asph Paved to 1/4 North Hill Rd. Water Line Relocation for SR20	Indiana Department of Transportation	20-205	Des. No. 0710319 Des. No. 1420564 Des. No. 0105943	\$ - - -	\$ 186,816 138,564 471,434
Total - Highway Planning and Construction Cluster					784,204
Highway Safety Cluster Federal Required Every Countermeasures Incentive Grants I Traffic Safety/DUI Taskforce	City of Fort Wayne	20-601	03-16-10220	-	4,487
National Priority Safety Programs Traffic Safety/Child Seat Protection	City of Fort Wayne	20-616	03-16-10135	-	7,275
Total - Highway Safety Cluster					11,762
Total - Department of Transportation					805,970
Total federal awards expended					805,970

- **Schedule of Expenditures of Federal Awards (SEFA)**

- Selection of Major Programs

- Audit of Major Programs

INDIANA STATE BOARD OF ACCOUNTS - 2020

31



## THE AUDIT PROCESS

- ✓ Preliminary Work
- ✓ Entrance Conference
- ✓ Virtual/Remote Audit
- ✓ Auditing Procedures
- ✓ Exit Conference
- Reports



Needpix.com

INDIANA STATE BOARD OF ACCOUNTS - 2020

32



BS3556

**STATE BOARD OF ACCOUNTS**  
 302 West Washington Street  
 Room E418  
 INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AUDIT REPORT  
 OF  
 TOWN OF PENDLETON  
 MADISON COUNTY, INDIANA  
 January 1, 2017 to December 31, 2018



**FILED**  
 10/18/2019

**FINANCIAL STATEMENT REPORT**

INDIANA STATE BOARD OF ACCOUNTS - 2020



**FINANCIAL STATEMENT REPORT**

PENDLETON COMMUNITY PUBLIC LIBRARY  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
Operating	\$ 297,228	\$ 827,134	\$ 710,491	\$ 413,871	\$ 820,162	\$ 924,455	\$ 309,578
Rainy Day	1,385	-	-	1,385	50	-	1,435
Summer Reading	640	560	650	550	650	924	276
Library Improvement Reserve	71,112	5,500	28,904	47,708	-	-	47,708
Plac	-	1,450	1,400	50	1,300	1,350	-
Childrens Dept Book Clubs	812	1,636	1,293	1,155	2,020	1,389	1,786
Payroll withholdings	1,623	-	323	1,300	-	1,325	(25)
LSTA Grant Fund	-	9,850	9,218	632	9,218	9,850	-
Misc Clearing Account	-	518	518	-	358	367	(9)
Plato Tutoring Fund	-	-	-	-	3,600	3,600	-
Project Suds Grant	-	-	-	-	10,500	5,022	5,478
Petty Cash	200	-	-	200	-	-	200
Cash Change	100	-	-	100	-	-	100
Gifts Fund	3,802	4,621	3,606	4,817	2,795	3,081	4,522
Employee Purchases	136	579	568	147	895	1,045	(5)
Memorial	3,016	470	731	2,755	119	380	2,494
State Tech Fund Grant	4,120	7,350	7,325	4,145	1,639	11,050	(5,266)
Friends - Clearing Account	55	2,411	2,466	-	3,200	3,313	(113)
Debt Service	35	780,879	638,100	142,814	423,941	466,000	100,755
Johnston-Swain	1,057	230	-	1,287	239	-	1,526
Smcf Library Fund	1,050	-	992	58	-	-	58
Arabian Readers	2,324	-	1,657	667	-	667	-
Mcof Garden Sustainability Grant	258	-	258	-	-	-	-
Smcf Read & Feed Grant	1,311	17,397	10,684	8,024	15,426	10,394	13,056
<b>Totals</b>	<b>\$ 390,264</b>	<b>\$ 1,660,585</b>	<b>\$ 1,419,184</b>	<b>\$ 631,665</b>	<b>\$ 1,296,103</b>	<b>\$ 1,444,212</b>	<b>\$ 483,556</b>

The notes to the financial statements are an integral part of this statement.

INDIANA STATE BOARD OF ACCOUNTS - 2020



### SUPPLEMENTAL REPORT

B51084

STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENTS AUDIT REPORT  
OF  
PENDLETON COMMUNITY PUBLIC LIBRARY  
MADISON COUNTY, INDIANA  
January 1, 2013 to December 31, 2017



**FILED**  
10/17/2018

INDIANA STATE BOARD OF ACCOUNTS - 2020

35



### REVIEW REPORT

B54792

STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENTS REVIEW REPORT  
OF  
TOWN OF KINGSBURY  
LAPORTE COUNTY, INDIANA  
January 1, 2016 to December 31, 2018



**FILED**  
04/01/2020

INDIANA STATE BOARD OF ACCOUNTS - 2020

36



055003

**STATE BOARD OF ACCOUNTS**  
 302 West Washington Street  
 Room E418  
 INDIANAPOLIS, INDIANA 46204-2769

**COMPLIANCE REPORT**

COMPLIANCE REPORT  
 OF  
 NEW HARMONY WORKINGMEN'S  
 INSTITUTE PUBLIC LIBRARY  
 POSEY COUNTY, INDIANA  
 January 1, 2016 to December 31, 2019



**FILED**  
 10/16/2020

INDIANA STATE BOARD OF ACCOUNTS - 2020

37





**STATE OF INDIANA**  
 AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
 302 WEST WASHINGTON STREET  
 ROOM E418  
 INDIANAPOLIS, INDIANA 46204-2769

Telephone (317) 232-2113  
 Fax (317) 232-4711  
 Web Site: www.isba.gov/ind

**MANAGEMENT LETTER**

MANAGEMENT LETTER COMMUNICATING NONCOMPLIANCE

TO: THE OFFICIALS OF THE CITY OF GORDONVILLE, JOYCE COUNTY, INDIANA

The Indiana State Board of Accounts is providing this letter to communicate certain matters noted during our audit related to noncompliance with applicable laws and/or uniform compliance guidelines established by the Indiana State Board of Accounts. Our audit covered the period January 1, 2018 to December 31, 2019.

The matters noted below describe identified instances of noncompliance found during our audit that did not, in our opinion, warrant comment in your official report at this time, but are being communicated for your information. Please be advised that we will review the status of these items during our next engagement. Continued noncompliance could result in the matters noted being reportable in your next report.

**ACCOUNTS PAYABLE VOUCHERS**

Condition and Context

One Accounts Payable Voucher totaling \$5.55 did not have supporting documentation available for audit.

Criteria

Supporting documentation such as receipts, cancelled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee.

This communication is intended solely for the information and use of management, governance, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Freddie Field Examiner

September 30, 2020

INDIANA STATE BOARD OF ACCOUNTS - 2020

38



CONTACT INFO

Todd Caldwell  
Director of Audit Services



Susan Gordon, CPA  
Director of Audit Services



**libraries@sboa.in.gov**  
**317-232-2513**

INDIANA STATE BOARD OF ACCOUNTANTS - 2020